

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6821

BILL NUMBER: HB 1225

NOTE PREPARED: Jan 23, 2013

BILL AMENDED:

SUBJECT: Sale of Electronic Cigarettes to Minors.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill prohibits the sale or delivery of electronic cigarettes to individuals less than 18 years of age.

The bill makes it a Class C infraction for an individual less than 18 years of age to purchase, accept for personal use, or possess an electronic cigarette. It also regulates display and use of electronic cigarettes in vending machines.

The bill makes other changes concerning the use of electronic cigarettes.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues: It is unknown how many additional Class C infractions might occur from prohibiting the sales or delivery of electronic cigarettes to minors. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the automated record keeping fee (\$5), judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1),

and the DNA sample processing fee (\$2) are deposited into the state General Fund.

The bill could also increase the revenue to the Youth Tobacco Education and Enforcement Fund if a merchant sells, ships, or delivers electronic cigarettes to a person less than 18 years of age. The Alcohol and Tobacco Commission can assess a civil penalty of up to \$1,000 per occurrence.

Explanation of Local Expenditures:

Explanation of Local Revenues: It is unknown how many additional Class C infractions might occur from prohibiting the sales or delivery of electronic cigarettes to minors. If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Persons found guilty of a felony or misdemeanor are also required to pay the following fees that are deposited in local funds: the document storage fee (\$2), which is deposited into the clerk record perpetuation fund, and the jury fee (\$2) and law enforcement continuing education fee (\$4), which are both deposited in the county user fee fund.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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